

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Lexington Precision Corporation and Lexington Rubber Group, Inc
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: November 2008

Federal Tax I.D. # 22-1830121 & 13-3525759

CORPORATE MONTHLY OPERATING REPORT -- November 2008

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	Waived**
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	No	Waived**
Copies of bank statements		No	Waived**
Cash disbursements journals		No	Waived**
Statement of Operations	<u>MOR-2</u>	No	See below.***
Reorganization items paid	<u>MOR-2 (Cont.)</u>	Yes	No explanation necessary.
Balance Sheet	<u>MOR-3</u>	No	See below.***
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	No explanation necessary.
Copies of IRS Form 6123 or payment receipt		No	Waived**
Copies of tax returns filed during reporting period		No	Waived**
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	No explanation necessary.
Listing of Aged Accounts Payable		No	All post-petition accounts payable are current.
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	No explanation necessary.
Taxes Reconciliation and Aging	<u>MOR-5</u>	Yes	No explanation necessary.
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	No explanation necessary.
Post Petition Status of Secured Notes	<u>MOR-6</u>	Yes	No explanation necessary.
Debtor Questionnaire	<u>MOR-7</u>	Yes	No explanation necessary.

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____

Date _____

Signature of Authorized Individual* /s/ Dennis J. Welhouse _____

Date December 31, 2008

Printed Name of Authorized Individual Dennis J. Welhouse
Senior vice President and CFO

Date December 31, 2008

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

** Inclusion of this and certain other information has been waived per discussions with Official Creditors' Committee and the Office of the United States Trustee.

In re Lexington Precision Corporation
Debtor

Case No. 08-11153

Reporting Period: November 2008**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					757,219.51
DIP LOANS					-
OTHER: Premier Tool and Die					-
OTHER: Miscellaneous Receipts					26,141.16
TOTAL RECEIPTS					783,360.67
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					2,262,382.45
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$2,262,382.45
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$2,262,382.45

In re Lexington Rubber Group, Inc.
Debtor

Case No. 08-11156

Reporting Period: November 2008**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH					
RECEIPTS					
ACCOUNTS RECEIVABLE					4,332,792.35
DIP LOANS					-
OTHER: Cobra					-
OTHER: Miscellaneous Receipts					23,872.13
TOTAL RECEIPTS					4,356,664.48
DISBURSEMENTS					
NET PAYROLL					
PAYROLL TAXES					
SALES, USE, & OTHER TAXES					
INVENTORY PURCHASES					
SECURED/ RENTAL/ LEASES					
INSURANCE					
ADMINISTRATIVE					
SELLING					
OTHER (ATTACH LIST)					
OWNER DRAW *					
TRANSFERS (TO DIP ACCTS)					
PROFESSIONAL FEES					
U.S. TRUSTEE QUARTERLY FEES					
COURT COSTS					
TOTAL DISBURSEMENTS					2,731,336.36
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)					
CASH - END OF MONTH					

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	\$2,731,336.36
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	\$0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	\$0.00
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$2,731,336.36

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

November 2008

CONSOLIDATED STATEMENTS OF EARNINGS

MONTH

in thousands of dollars

Case no's 08-11153 & 08-11156

	MONTH	
	Actual	
Gross sales	4,405	100.8 %
Returns	22	0.5
Discounts & allowances	14	0.3
Net sales	4,369	100.0
Cost of sales:		
Material cost	1,481	33.9
Direct labor	367	8.4
Factory overhead (1)	2,130	48.8
Total	3,978	91.1
Gross profit	391	8.9
Selling, general & admin. expense:		
Marketing & sales	95	2.2
General & administrative (2)	916	21.0
Total	1,011	23.1
Operating profit	(620)	(14.2)
Nonoperating expense (income):		
Interest expense (3)	648	14.8
Interest (income)	(12)	(0.3)
Unrealized loss (gain) on trading securities	–	–
Total	636	14.6
Earnings (loss) before taxes	(1,256)	(28.7)
Income taxes	4	0.1
Earnings (loss) from continuing operations	(1,260)	(28.8)
Income (loss) from discontinued operations	(12)	(0.3)
Net income (loss)	(1,272)	(29.1) %
EBITDA:		
Operating Profit	(620)	(14.2) %
Depreciation	415	9.5
Amortization (operating only)	17	0.4
EBITDA	(188)	(4.3) %

Other Data & Statistics:

Average number of employees (#)	534	NA
Sales per employee (\$)	98	NA

- (1) Does not include a credit for the anticipated recovery under the Company's business interruption insurance resulting from a fire at its Rock Hill, South Carolina facility on November 19, 2008, which the Company currently estimates will be in excess of \$150,000.
- (2) Includes \$493,000 of reorganization expenses and \$77,000 of one-time consulting fees.
- (3) Includes \$34,000 of interest for the holders of the Company's DIP loan during November 2008. Excludes interest expense of \$14,000 allocated to discontinued operations for the month of November 2008.

In re **Lexington Precision Corporation - Consolidated**
Debtor

Case No. **08-11153 & 08-11156**
Reporting Period: **November 2008**

REORGANIZATION ITEMS		
Professional Fees		
Stout Risius Ross, Inc.	57,180.31	
Andrews Kurth	76,211.43	
Weil, Gotshal & Manges LLP	94,172.80	
W.Y. Campbell & Company	83,755.99	
Malin, Bergquist & Company, LLP	14,326.57	
U. S. Trustee Quarterly Fees - LRG	0.00	
U. S. Trustee Quarterly Fees - LPC	0.00	
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - DIP Cash (see continuation sheet)	11,669.63	
Interest Paid to Lexington on Accumulated Cash from Chapter 11 - Operating Cash (see continuation sheet)	3,452.32	
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
DIP Interest	37,632.94	
CapitalSource Reimbursement	9,001.71	
Epiq Bankruptcy Solutions, LLC	17,868.64	
Intralinks, Inc.	500.00	
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

**"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

OTHER REORGANIZATION EXPENSES

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

LEXINGTON PRECISION CORPORATION – CONSOLIDATED

November 2008

CONSOLIDATED BALANCE SHEETS

in thousands of dollars

Case no's 08-11153 & 08-11156

<u>ASSETS</u>	<u>Actual</u>
Current assets:	
Cash	6,021
Marketable securities	116
Accounts receivable	8,885
Inventories	11,020
Prepaid expenses and other current assets	1,710
Deferred income taxes	98
Current assets of discontinued operations	17
Total current assets	<u>27,867</u>
Plant & equipment	
Land	2,255
Buildings	13,405
Machinery & equipment	<u>111,702</u>
	127,362
Accumulated depreciation	<u>108,612</u>
Plant & equipment, net	<u>18,750</u>
Plant & equipment of discontinued operations, net	1,239
Goodwill	7,623
Deferred financing expenses	—
Other assets	<u>684</u>
	<u>56,163</u>
<u>LIABILITIES & SHAREHOLDERS' DEFICIT</u>	
Current liabilities:	
Accounts payable	8,804 (1)
Accrued income taxes	1
Accrued interest expense	12,974
Accrued operating expenses	4,543 (2)
Short-term debt	18,219 (3)
Current portion of LTD	55,425
Current liabilities of discontinued operations	<u>268 (1)</u>
Total current liabilities	<u>100,234</u>
Long-term debt, net of current portion	—
Long-term portion of post-retirement obligation	274
Other long term liabilities	115
Deferred income taxes	98
Shareholders' deficit:	
Common stock	1,242
Add'l paid-in-capital	13,195
Accumulated deficit	(58,897)
Accumulated other comprehensive loss	<u>(98)</u>
Total shareholders' deficit	<u>(44,558)</u>
	<u>56,163</u>

(1) As of November 30, 2008, accounts payable and current liabilities of discontinued operations include prepetition accounts payable in the amount of approximately \$5,432,000 and \$174,000, respectively. Accounts payable also includes \$995,000 of billings from attorneys, investment advisors, and other fees and expenses incurred in connection with the Company's filing under chapter 11 of the Bankruptcy Code.

(2) As of November 30, 2008, accrued expenses includes \$491,000 of fees and expenses accrued in connection with the Company's filing under chapter 11.

(3) Includes revolving line of credit in the amount of \$14,219,000 and the DIP loan in the amount of \$4,000,000.

Federal	2008												Totals
	11/5	11/6	11/11	11/12	11/13	11/14	11/19	11/20	11/25	11/26			
FICA - Employee	2,810.00	16,489.65	-	2,330.66	35,266.17	-	2,444.22	16,193.15	3,275.21	32,956.96	-	111,768.02	
FICA - Employer	2,810.03	16,490.05	-	2,330.63	35,266.05	-	2,444.22	16,193.26	3,275.19	32,956.89	-	111,768.32	
Unemployment	50.34	23.91	-	3.35	49.24	-	3.35	23.54	97.22	44.45	-	295.40	
Income	3,594.99	17,756.83	-	2,761.94	50,236.43	-	2,960.76	17,378.23	4,284.33	47,334.58	-	146,306.09	
Other:	-	-	-	-	-	-	-	-	-	-	-	-	
Total Federal Taxes	9,265.36	50,760.44	-	7,426.58	120,817.89	-	7,852.55	49,768.18	10,931.95	113,296.88	-	370,139.83	
State and Local													
GA - Georgia													
Withholding	-	3,326.64	-	-	6,659.58	-	-	3,397.91	-	6,630.15	-	20,014.28	
Unemployment	-	113.79	-	-	116.36	-	-	108.65	-	121.89	-	460.69	
Real Property	-	-	-	-	-	-	-	-	-	-	-	-	
Other:	-	-	-	-	-	-	-	-	-	-	-	-	
NY - New York													
Withholding	-	1,898.91	-	-	3,835.08	-	-	1,864.65	-	4,083.84	-	11,682.48	
Unemployment	-	38.00	-	-	319.34	-	-	38.00	-	275.50	-	670.84	
Real Property	-	-	-	-	-	-	-	-	-	-	-	-	
Other: DI	-	-	-	-	-	-	-	-	-	-	-	-	
OH - Ohio													
Withholding	907.37	665.28	-	591.21	4,514.71	-	760.76	546.33	1,131.83	4,261.18	-	13,478.67	
Unemployment	421.60	16.75	-	28.04	16.75	-	28.04	16.75	814.24	16.75	-	1,358.92	
Real Property	-	-	-	-	-	-	-	-	-	-	-	-	
Other:	-	-	-	-	-	-	-	-	-	-	-	-	
PA - Pennsylvania													
Withholding	64.14	-	-	67.16	94.15	-	59.58	-	61.88	-	-	346.91	
Unemployment	-	-	-	-	-	-	-	-	-	-	-	-	
Real Property	-	-	-	-	-	-	-	-	-	-	-	-	
Other:	-	-	-	-	-	-	-	-	-	-	-	-	
SC - South Carolina													
Withholding	-	2,379.94	-	-	4,933.52	-	-	2,376.90	-	3,829.00	-	13,519.36	
Unemployment	-	14.03	-	-	14.03	-	-	14.03	-	6.73	-	48.82	
Real Property	-	-	-	-	-	-	-	-	-	-	-	-	
Other:	-	-	-	-	-	-	-	-	-	-	-	-	
AK - Akron City, OH	-	25.98	-	-	21.81	-	-	22.45	-	22.13	-	92.37	
BR - Brewster VLG, OH	-	14.52	-	-	7.10	-	-	9.32	-	12.34	-	43.28	
CA - Canton City, OH	-	-	-	-	-	-	-	-	-	-	-	-	
CO - Columbiana, OH	3.41	-	-	4.24	-	-	5.40	-	5.40	-	-	18.45	
CS - Cal SD, OH	3.18	-	-	3.97	-	-	5.06	-	5.06	-	-	17.27	
GI - Girard City, OH	33.63	-	-	11.17	-	-	11.17	-	38.32	-	-	94.29	
GR - Green City, OH	-	-	-	-	43.75	-	-	-	-	43.75	-	87.50	
HU - Hubbard City, OH	-	-	-	-	-	-	-	-	-	-	-	-	
MD - McDonald VII, OH	11.21	-	-	11.21	31.85	-	11.21	-	11.21	31.85	-	108.54	
NC - No Canton Ci, OH	-	-	-	47.37	47.37	-	-	-	33.74	81.11	-	164.22	
NF - New Franklin, OH	-	9.69	-	-	7.27	-	7.27	-	-	31.57	-	48.30	
NI - Niles City, OH	-	-	-	24.41	89.74	-	24.41	-	25.82	80.92	-	276.35	
NP - New Philadel, OH	31.05	-	-	20.23	20.23	-	-	-	-	20.23	-	40.46	
PP - Pepper Pike	-	-	-	-	93.00	-	-	-	-	94.95	-	187.95	
PY - Pymatuning T, PA	10.84	-	-	11.82	-	-	11.33	-	10.10	-	-	44.09	
SH - Sharon City, PA	5.61	-	-	5.61	30.67	-	5.61	-	5.61	-	-	53.11	
SL - Springfield LS, OH	-	-	-	-	-	-	-	-	-	-	-	-	
SP - Sharpsville, PA	-	-	-	-	-	-	-	-	-	-	-	-	
ST - Struthers Ci, OH	-	-	-	-	-	-	-	-	-	-	-	-	
SW - Slow City, OH	-	-	-	-	-	-	-	-	-	-	-	-	
WA - Warren City, OH	112.22	-	-	87.67	-	-	93.29	-	158.71	-	-	451.89	
YT - Youngstown C, OH	-	-	-	-	-	-	2.84	-	-	-	-	2.84	
Total State and Local	1,604.26	8,503.53	-	946.51	20,896.31	-	1,018.70	8,402.26	2,268.18	19,572.29	-	63,212.04	
Total Payroll Taxes	10,869.62	59,263.97	-	8,373.09	141,714.20	-	8,871.25	58,190.44	13,200.13	132,869.17	-	433,351.87	
Non-Payroll Taxes													
3rd Quarter 2008 Ohio CAT Tax	848.00	-	-	-	-	-	-	-	-	-	-	848.00	
Georgia Department of Revenue October 2008 Use Tax	-	-	1,379.38	-	-	-	-	-	-	-	-	1,379.38	
State of Delaware 3rd Quarter 2008 Franchise Tax	-	-	-	-	-	-	-	-	2,500.00	-	-	2,500.00	
Total Non Payroll Taxes	848.00	-	1,379.38	-	-	-	-	-	2,500.00	-	-	4,727.38	
Total Taxes	11,717.62	59,263.97	1,379.38	8,373.09	141,714.20	-	8,871.25	58,190.44	15,700.13	132,869.17	-	438,079.25	
	-	-	-	-	-	-	-	-	-	-	-	MOR - 4 (1)	

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due				Total
	Current	0-30	31-60	Over 90	
Accounts Payable					
Wages Payable					
Taxes Payable					
Rent/Leases-Building					
Rent/Leases-Equipment					
Secured Debt/Adequate Protection Payments					
Professional Fees					
Amounts Due to Insiders					
Other:					
Other:					
Total Post-petition Debts					

There are no unpaid post petition debts. All debts are either paid or within credit terms.

MOR - 4 (2)

In re Lexington Precision Corporation - Consolidated Case No. 08-11153 & 08-11156
Debtor Reporting Period: November 2008

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	9,715,627.96
Plus: Amounts billed during the period	4,653,723.55
Less: Amounts collected during the period	5,090,011.86
Less: Miscellaneous adjustments	15,332.66
Total Accounts Receivable at the end of the reporting period	9,264,006.99

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	4,563,726.98	-	-	-	4,563,726.98
31 - 60 days old	-	2,853,914.84	-	-	2,853,914.84
61 - 90 days old	-	-	905,435.60	-	905,435.60
91+ days old	-	-	-	940,929.57	940,929.57
Total Accounts Receivable	4,563,726.98	2,853,914.84	905,435.60	940,929.57	9,264,006.99
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	529,000.00
Plus: Accrual adjustment	-	-	-	-	150,000.00
Net Accounts Receivable	-	-	-	-	8,885,006.99

TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old			All taxes are current.		
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

In re Lexington Precision Corporation - Consolidated
Debtor

Case No. 08-11153 & 08-11156
Reporting Period: November 2008

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?	X	See footnote (1)

(1) Michael A. Lubin, Chairman of the Board, and William B. Conner, a Director of the Company, received DIP interest during November 2008 in the amounts of \$18,816.47 and \$14,112.35, respectively.